

DISTRICT DEVELOPMENT SCHEME

ECONOMIC PROGRESS BY FORCED MARCHES

BY

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FOREWORD

DISTRICTS in India differ widely in resources, education and productive capacity but in point of economic equipment and output they are all similar, they all occupy a common low level.

The actual production in an Indian district, if inhabited and exploited by a progressive, vigorous modern people, would be many times its present value. This would arise from their wiser choice of occupations, their superior organising ability, forethought, courage, skill, capacity for corporate effort and readiness to take normal business risks.

The present production in a district can be stimulated by expansion of industries, mass education, use of labour-saving tools and machinery, a working knowledge of economics and a practical understanding of world conditions in general and India's

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resources in particular. None of these aids can be safely ignored if the standard of living is to be improved and India is to come to her own in the field of industry and production.

It is well recognised in the West and it is beginning to be understood in this country also that poverty is a social disease and not a blessing in disguise and that unless Indians make radical changes in their conception of life, the prospect is cheerless. The trend will be to stabilise poverty.

The District Development Scheme described in this brochure aims at stimulating productive activities in the people by intensive measures and methods. The immediate aim is to so multiply goods and services for consumption as to double the income within, at the utmost, a decade. A whirlwind campaign or drive is proposed to appeal to individuals and communities to force up production and maintain at any cost a minimum approved standard of

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living. If this is successfully accomplished, there is no reason why under favourable conditions the same population should not increase its income, say, fivefold within a generation.

The time is opportune for introducing and operating such a Scheme because Rural Development has caught the popular imagination and, save in the matter of tariff protection, most of the administrative powers needed to work it are vested to-day in the Provincial Governments.

The districts should be consulted and offers invited to work the Scheme. The district finally chosen should be one in which an appreciable number of influential public workers come forward to pull their weight, and the masses of the rural population are willing to tax themselves to the small extent needed to supplement the Government grant.

BOMBAY,
1st February, 1939.

M. V.

PREFACE TO SECOND EDITION

THIS book is merely a reprint of its first edition issued last year, copies of which are now exhausted.

The book deals with orderly economic development in rural areas. The development idea has taken root. But the energy spent on productive activities is not co-ordinated. The measures and methods in use fall far short of those common in Western countries and in Japan. The disciplined combination and the statistical measurement necessary for success are not there.

It is hoped that thinking men of every shade of opinion will remedy these defects either by adopting the methods urged in this book or by devising parallel ones having the same object. If this is not done, we will be adding another lost opportunity to the many that have weakened the economic power of our vast population in recent years.

BOMBAY,
8th August, 1940.

M. V.

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ECONOMIC PROGRESS BY FORCED MARCHES

I

INTRODUCTORY

AN Industrial Revolution was gradually brought about in England and Europe about the middle of the last century by the invention of power machinery and the development of the factory system of manufacture. A second later revolution has come about during the past thirty years, due to such new forces and inventions as development of electric power, advances in industrial chemistry, replacement of the domestic system of manufacturing by the factory system and the startling growth in transport and communications.

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While these discoveries and advances have greatly benefited the Western nations there has been no organised effort to introduce them into India. As a result of the competition of imported machine-made goods with local products, the people of India have lost their age-old occupations and a substantial portion of their employment and income, and with the growth of population vast numbers of them have been forced to live below the poverty line.

This is mainly due on one side to lack of encouragement from State policies and on the other to unhealthy traditions, illiteracy, want of adaptability and the apathy of the people themselves. There are large numbers of citizens who favour rapid industrialization, the wider use of machinery and tools, mass production methods and the adoption of newer business practices which no nation which desires to be progressive can do without. But there is also a vast multitude of illiterates and not an inconsiderable number

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of public leaders who long for rural life and the peace and quiet of the older times.

The actualities of the situation demand great changes. These changes should be brought into being by Government ignoring political differences and working in the closest association with leading business men, financiers and economists in the country. On every current problem, *pros* and *cons* should be weighed, formulæ and policies based on world experience evolved and a constructive plan prepared, which the country can unhesitatingly accept and follow. And when the plan is ready, a workable organisation should be brought into existence to give effect to the measures recommended.

The country has to be equipped with sound economic policies, institutions and machinery and the average citizen instructed in business discipline and effective working habits.

In an undeveloped country like India, there is need for improvement and

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development in many directions. There is insistent demand, for instance, for improvement under communications, housing, water supply, sanitation and other social wants. But all these needs should yield priority to economic advancement, because, if production from agriculture and industries is increased, there will be a rise in income all round and the growth of income will enable the people to raise their standards of living. Animalities are fundamental. Physical wants should be supplied first. Our chief concern as a first step should, therefore, be to give the masses opportunities of earning a reasonable income to provide themselves with the normal wants of existence.

The immediate object of the proposals outlined here is to urge that at least one district in every Indian Province be taken up for intensive development by planning. To treat one district in this way will not put any appreciable strain on the resources of a local Government. The district

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chosen may need financial support for the scheme for the first four or five years only, after which the experiment ought to be able to pay its way. There should be no difficulty in equipping one chosen district for this short period, with picked officials, experts, enthusiastic public workers and adequate financial and other machinery to step up the ratio of its productive power.

Planning is needed to introduce a new business order into the districts in which discipline, integrity, devotion to duty, value of time and corporate effort should all be recognised and made to play their legitimate part. If work is found for every able-bodied person and productive activities are systematically stimulated, industry, alertness and discipline may become the rule, and a situation may arise in due course in which goods and services would be available in increasing quantities to render living conditions for every one more secure.

When the public obtain clear proofs of

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the benefits of the measures undertaken in one district, other areas will begin to take lessons from it, and it would not be long before the great majority of the people of a Province or State begin to appreciate the methods adopted and become warm supporters of planned development.

II

MAIN LINES OF DEVELOPMENT

THE basic wants of a family may be taken as six in number :—Food, Clothing, Housing, Education, Recreation and Amusement, and Work.

The people will have to obtain these wants by engaging themselves in the various occupations and professions open to them. As vast masses of the rural population lead a hand-to-mouth existence, any scheme intended to redress their condition should aim primarily at making provision for the necessities of life. The poorer classes constitute more than 75 per cent. of the population and if the standard of living of these classes is raised, those of the middle and upper classes will rise automatically.

The information collected in statistical tables for each residential area or region

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by means of surveys will reveal approximately the productive capacity and income of the area. It will show whether the income is sufficient or not, and if insufficient, to what extent it is so, to supply the resident population with the minimum wants of a healthy and decent existence.

The tables and information gathered will reveal the total population of the district, its average annual income and in what proportion each of these is distributed between the various occupations. They will also give a clue to the changes and adjustments to be made from time to time in order to maintain a proper balance of occupations and secure a progressive rise in the standard of living.

All income and standards of living will be dependent in the last resort on the output of work of the people. Their economic condition is determined normally by their productive activities and capacity. In almost every country there are great inequalities in the income of individual

citizens due to privileged position, inherited property, and nature of occupations followed. But generally speaking, the prosperity of any people or community will depend on the character of the occupations which they have chosen for themselves and the vigour, skill and ability with which they apply themselves to their various callings.

The survey and statistical statements collected will reveal how the average individual income in a Village Union, Town or City stands as compared with that needed for normal subsistence. Enquiries made in districts situated far apart show that at the present time the income of an average family is in the neighbourhood of Rs. 25 per month. Among three-fourths of the rural population, the average does not seem to exceed Rs. 12. To enable an average family to provide itself with the bare necessities of life, a minimum monthly income of Rs. 40 seems necessary even from Indian standards. Our first

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endeavour should, therefore, be to suitably spread the population in gainful occupations and services to secure this minimum income for every family in the district.

Obviously the only way to secure a rise in income is by giving the necessary training and inducing the people to work harder, to work longer hours where necessary, to develop skill and capacity and produce commodities of quality and value. If intelligence and skill are developed, hours of labour can be shortened.

The statistical statements resulting from the surveys will suggest to trained minds and experts the directions in which industries and employment should be increased or multiplied in order to raise the income.

With the aid of statistics, the District Economic Council and the Development Office Superintendent with their expert staff will be able to advise the local Village Councils in what directions their productive activities should be extended and

MAIN LINES OF DEVELOPMENT

strengthened to give them a substantial increase of income.

It has been stated that one of the six wants of a family for healthy existence is work. It is natural in an undeveloped country like India that this wholesome precept should be lost sight of and large masses of the rural population should have come to regard work as an unpleasant necessity.

The appalling amount of unemployment and particularly short employment is due to this wrong conception of life, the ignorance of the population, lack of guidance by public leaders or Government and the utter absence of economic planning and organisation.

The aim of the District Development Scheme is to lead the people to work under discipline, to take up the most profitable occupations within their reach, to double their average income and mitigate their existing poverty and distress. In their very attempt to double their present

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average income, the people of a district will acquire the initiative, vigour and co-operative effort necessary to provide themselves with their further wants.

Steps should be taken to give whatever temporary relief is possible to the poorest classes by organising for their benefit new units of work and new occupations as an emergency measure.

The main lines of development will include the following policies and measures:

1. The public should be induced and trained to make up their mind to work harder, more methodically and in closer co-operation with their neighbours, to increase production. All successful nations owe their prosperity and long life to their active policies and habits.

2. A survey should be made of economic conditions to find out the present defects which afflict the people and the directions in which reforms and remedies are necessary and to create and select occupations for them.

MAIN LINES OF DEVELOPMENT

3. Occupations which give the highest remuneration or profit should be chosen..

4. The district should be equipped with appropriate institutions, directing staff and policies to promote development.

5. Elementary education should be spread rapidly, particularly among the adult population. Without education and an informed public, it would be futile to attempt building up efficiency or prosperity. All this should be done by planning.

III

DISTRICT ORGANISATION

THE population of an average district in British India is about one million souls. The total yearly income of such a district, at Rs. 50 per head of population, may be taken to be about Rs. 5 crores. The aim is to double this income within a period of seven to ten years. It is proposed to do this on the footing of a plan and a programme, carefully thought out, and with the aid as well of an agency specially chosen for the purpose.

The supervision and control of District Development work will be invested in a Development Officer and staff working in close association with a District Economic Council. The Economic Council will be made up of 7 to 12 members, nearly half of whom will be elected by the

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people of the district. The executive work of the Council will be attended to by the District Development Officer, who will have two deputies and a staff of some 12 assistants. The Development Officer and staff will be expected, while working in close co-operation with the Council, to carry out the orders of the State or Provincial Government concerned. The District Economic Council and the officers of the Development Department will be jointly in charge of the operations for increasing the goods and services in, or the income of the people of, the district.

The District Development Officer will be responsible for giving effect to the plan and programme approved by the District Economic Council and sanctioned by the Provincial Government.

The Development Officer will work in co-operation with the Collector and the heads of the various Government Departments and local bodies in the district. He will take instructions in important matters

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from the Department of the Provincial Government to which he is directly responsible.

The Economic Council will take into account the resources, both material and man power, available in the district to the fullest extent possible, while preparing the plans and schedules of work to be executed in each official year. The Council will also prepare a Five Year Plan embodying forecasts of developments in the various Departments of district economic life for the ensuing five years, including the year for which a working plan and budget are prepared.

A plan, schedule of works and a budget are the three essential parts of a District Development Scheme. All these will be constantly undergoing revision and development at the hands of the Economic Council and the district development staff. They will be prepared in accordance with the provisions of the scheme and the instructions of the controlling authority

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in the Provincial or State Government concerned.

The services of qualified public-spirited citizens who volunteer for this scheme may be utilised in any capacity they may be wanted by the District Development Officer. They may serve as individual officials or in committees constituted for local objects under the scheme. While so employed, they will be subordinate to the Development Officer and will carry out the duties and observe all the rules and discipline expected of them. The services of such men may be utilised for one year at a time, with the approval of the Economic Council.

IV

VILLAGE AND TOWN• ORGANISATIONS

FOR the purpose of encouraging self-government among the rural masses it will be convenient if a group of villages, perhaps 10 or 12 in number, are treated as a Village Union or Unit and operated together. The combined population of the group may ordinarily vary between 5,000 and 10,000. The office of the Village Council should be established in a centrally situated village within the group. The Village Council should consist of 7 to 12 members elected for a year at a time from among the most competent residents in the area, by an assembly of headmen of families residing in it.

Two or three village officials including an accountant will constitute the village office and they will work under the direction of the Village Council and its elected

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Chairman. The Chairman will, during his term of office, be responsible to the District^a Collector and to the District Development Officer for the performance of all the duties assigned to the Village Council under the scheme. Where necessity arises and funds permit, other special establishment will be employed for specific constructive duties as required.

The Village Office will maintain statistics of production and income of the population in each of the constituent villages and prepare a report embodying the necessary statistical tables at the end of the year. The report will give the income in each village and the average income per family and per head of population in the whole Union.

Under the advice of and in accordance with the instruction issued by the District Development Department, the Village Council will prepare lists of raw materials and other resources available to give employment to local labour and of industries

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and trades which require encouragement in the coming year. The Village Council will also indicate, under the advice of the Development Officials, the amount of capital and material needed and how it is proposed to obtain them. The estimates and plans when prepared will be submitted to the District Development Officers for approval and after sanction is obtained the proposals will be given effect to.

The village community will be encouraged to concentrate attention on gainful occupations and the new activities in the village, such as extension of irrigation, use of fertilisers, establishment of new industries, expansion of old industries and promotion of trade and traffic calculated to bring increased income and revenue to the Union population.

At the same time, under the advice and direction of the officials of the Development Department, a forecast of production and income for the ensuing period of five years may be prepared. Endeavours would

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also be made in some Unions to achieve an increase of income amounting to as much as 50 per cent. by the end of the fifth year of the programme. Such increase may not be possible in every Village Union. But there may be some Unions in which by rapid nurturing of new industries the income could be more than doubled.

It must be understood that in the case of the agricultural population income is certain to be reduced now and again by bad years, that is, by seasonal variations due to shortage of rainfall or in a lesser degree to excessive rain or heavy floods or inundations. Safety, therefore, lies in increasing employment in industries and other occupations.

The results of each year will be recorded in suitable statistical tables, registers and reports, copies of which will be kept in the Village Union Office, and also in the district office of the Development Department.

In every District there will be a dozen

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or more towns and occasionally one or two cities, and in each such town and city, an Urban Development Council should be established to encourage the growth of industries, trade and other occupations and to collect and record statistics of production, service and income.

Detailed methods of development can be worked out for each city and town, according to the nature of its occupations and commercial activities and aptitudes.

Separate forms of reports and statistical tables to be maintained by the Village and Urban Councils, respectively, will be prescribed by the Development Department with the approval of the Provincial Government.

The constitution of the Village Union here suggested is largely based on the one adopted in Japan under similar conditions, when self-government was first conferred on rural areas in that country. Some half a dozen or more villages were grouped together to form a self-governing unit.

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In that way 72,000 villages in Japan were grouped into 12,000 self-governing units.

This scheme of Rural Self-Government is working well in Japan and may be advantageously adopted here. We are at present concerned in creating an organisation mainly for the purposes of economic betterment. When it begins to work successfully, other functions of the district administration may be transferred to the Village Council. In Japan, the Village Councils tax themselves and spend liberally on education. They also collect the taxes due to the District and Provincial Governments and remit the collections to the Governor of the Prefecture or district. With the exception of the police duties, the Village Council and headmen administer all the affairs of the Village Union. It is important that the constitution of the Village Government should be changed at the source in order to give a desirable training in constitutional Government for our rural population.

V

OCCUPATIONAL AND PRODUCTION SURVEY

ALMOST the first work of the Development Department should be to investigate how the people of the district are employed, how many of them in agriculture, what number on industries, trade, transport and other services and what their aggregate income is in each of those classes of occupations. A survey will give a clue to the true resources and earning capacity of the people and to the distribution of the total population and income in the respective occupations.

A survey of industries should be given precedence because they typify occupations which have been neglected in the recent past and which, for that very reason, are likely to give handsome returns for some time to come, if undertaken at

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once and pursued on lines suggested by recent world experience.

One of the first labours of the survey would, therefore, be to collect data for industries in each Village Union and in each urban unit area under the following heads:—

- Number of establishments or separate units of work;
- Capital invested;
- Labour employed;
- Products and their value; and
- Per capita* value of industrial output in each unit area.

An account should be compiled of the condition of existing industries in the district and a list prepared of other new industries that can be profitably started. This will be among the earliest results of the Development programme.

The next most important work to be undertaken would be a comprehensive survey of occupations in the district. They

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may be considered under four class's as under:—

- (1) Industries and crafts;
- (2) Agriculture and allied occupations;
- (3) Trade and transport; and
- (4) Services, professional, public, domestic, etc.

This survey should lead to the collection of information under each of these groups of occupations regarding products (where there are any) and their values, total population including dependents maintained and the amount of income in each group. In this way the income, or the approximate income, of the entire population of a Village Union, town or city will be ascertained, and statistical tables will be compiled giving the total income, *per capita* income and other data for the entire district. Simultaneously, a register should be prepared of able-bodied persons who are unemployed and of approximate numbers of persons who suffer from short employment. This information is also

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necessary to give a complete idea of the economic situation in the district.

The following table will reveal generally in what way the population of an average district is distributed at present, and in what directions changes and readjustments are necessary to bring them into line with peoples of progressive countries, whose occupations are more wisely balanced:—

Class of Occupation	Percentage of total population	
	As employed at present	Approximately as it should be employed in future.
1	2	3
1. Agriculture and Allied Occupations..	67	31
2. Industries and Crafts	10	33
3. Trade and Traffic ..	6	18
4. Services, Government, Domestic, Professional, etc. ..	17	16
TOTAL ..	100	100

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The distribution of population in the second column of the above table is based on the Census figures of 1931. Those in the third column are taken from a statement giving occupations in 14 countries based on information in the *Statistical Year Book of the League of Nations*, 1933.

A glance at the table will show how heavily agriculture is overweighted and how great is the necessity to afford relief to the soil by transferring the surplus population now dependent on agriculture to industries and other gainful occupations.

An occupational survey of the kind suggested is likely to reveal the following more obvious defects in the economy of the State:—

That the people are insufficiently employed and, although prepared to work, their opportunities of obtaining suitable employment and earning a decent living are limited;

That the income of the people in most

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districts, save in irrigated tracts or industrial neighbourhoods, is below what is necessary for a normal healthy existence;

That for want of mass education and training, the people have not acquired the capacity and practices of self-help, initiative, courage to start new enterprises and skill to secure new sources of income; and

That for lack of proper business conditions, credit and co-operation are at a discount and new business undertakings are of necessity slow to take root.

VI

AIDS TO DEVELOPMENT

SOUND policies, institutions, equipment and administrative practices can all help in the production of commodities and services. These may be considered under two heads, namely, (1) Principal Aids, and (2) Subsidiary Aids.

The principal aids to Development, aids which are practically indispensable for the purpose, may be stated to be banking facilities, statistics, tariff protection, mass education and travel conveniences.

The subsidiary aids usually provided are commercial museums, exhibitions and fairs, research, marketing and transport facilities, workshops and training institutions, and commercial and trade schools.

Each of these aids will now be briefly explained.

PRINCIPAL AIDS

Banking Facilities.—Government should use its credit to keep large sums of money

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in circulation in the district for purposes of production by raising the capital required wholly or partly in the district itself. Government are in a position, with the aid of existing banks, to reduce the rates of interest on loans prevailing in the rural tracts. Special precautions should be taken that the security of the loans advanced is not jeopardised.

How important and urgent this reform is will be understood from the fact that the peasantry are steeped in debt and there are regions in which the interest rates charged for loans are as high as 18 to 25 per cent. per annum.

Statistics.—The maintenance of reliable statistics is one of the essential features of the District Development Scheme. In reports on Indian economic life, it is usual to be content with general assertions. If disciplined progress is to be maintained, developments in every sphere of progress should be measured, wherever it could be done, by the yardstick of statistics.

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Tariff Protection.—One of the greatest needs, if not the greatest need for the encouragement of industries, is protection against undesirable imports and dumping by foreign countries. Raw materials produced in India are exported to foreign countries and are brought back again here in a manufactured state. This deprives local labour of its scant supply of remunerative employment and is in many ways an injurious and anomalous practice.

Tariff protection is not a matter which Provincial or State Governments can deal with. In order to secure adequate protection to local producers and manufacturers, the Government departments concerned (as well as committees of leading public men and business men in the district and in the Province) should keep questions connected with protection under continuous study and make representations as required, from time to time, both to Provincial and Federal Governments and Legislatures.

Mass Education.—Mass education

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should be vigorously pushed forward along with Development activities. Real economic progress cannot be secured, and, when secured, will not long survive unless backed by a well-informed enlightened public opinion.

Here, again, there will be obstacles. Experience shows that farmers and working classes are likely to welcome the extension of elementary education while the richer land-owning classes are prone to oppose their tenants receiving education through fear that they might get out of control. This is a very selfish reason for obstructing progress. The general advancement of the country cannot be allowed to be retarded by allowing such notions to prevail.

Travel Conveniences.—Local travel agencies managed on business lines, if brought into existence, will materially further inter-communication and commercial intercourse, and help to promote unity between all parts of India.

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A good number of well-managed hotels should be established in towns and cities, with the aid of Government subsidies where necessary. They should be subject to the disciplinary control of the Development Department.

Lodging houses should be started in centrally situated villages subsidised by Village Councils. Such help would probably be required for five or six years only, until people get used to hotel life and business habits and a demand is created.

If model hotels are established in cities and towns and model lodging and boarding houses in villages, the business life of a district will be appreciably quickened.

The Americans and the Japanese are practical people. The writer has met University graduates in hotel management in America. Clean, cheap lodging houses are a marked feature of Japanese village life.

SUBSIDIARY AIDS

Commercial Museums, Exhibitions and Fairs.—There should be a commercial

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museum with adequate staff—one at least at the head-quarter station in each district—to exhibit sample products, chiefly to serve as patterns for local manufacture. Labour-saving tools and machinery should be also exhibited. The museum should serve as an agency from which should emanate all proposals for holding periodical exhibitions and fairs in the principal towns and business places in the district.

Research.—In Western countries considerable importance is attached to research and enormous sums are spent on it. Scientific research will be needed and should be encouraged both in industries and agriculture.

In *Agriculture*, provision should be made for a wide range of experiments in scientific methods of production, fertilisers, eradication of pests, marketing problems, crop insurance, utilisation of farm wastes, irrigation and the like.

A laboratory is necessary in many

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a modern *Industry* for regulating manufacturing processes. Raw materials require to be tested and finished products made to conform to standard specifications.

Marketing Organisation.—At the present time, due to the ignorance of the cultivator, the middle man takes advantage of his helpless position and buys the produce of his labour too cheap and sells it at rates advantageous to himself in the nearest town or city. Some organisation is needed to provide the illiterate cultivator with adequate marketing facilities. One way would be to establish business offices and godowns for co-operative marketing, to which the cultivator may take his produce for sale.

Transport Facilities.—Both for products of new industries and for transport of raw or semi-raw materials intended for manufacture, railways should be induced to charge low freight rates. This question should be studied in comparison with

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practices in foreign countries. Cases in which rates are disadvantageous to industry should be pressed on the attention of the Central Government and redress obtained.

A Central Workshop and Training Institutions.—An experimental and demonstration station may be usefully established at the head-quarter town of the district in which instruction is given, say, in some half a dozen industries likely to prove profitable to the people of the district.

Side by side with the experimental and demonstration station, a central workshop should be maintained to give practical training in manufacture. For all practical purposes, in these days, a well-equipped Central Workshop will be a more useful institution to the people of a district than an Arts College.

Trade Schools.—Either classes should be attached to existing schools or separate trade schools should be maintained to give instruction in various occupations, such

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as weaving, tailoring, smithing, carpentry, etc. Along with such training, an elementary knowledge of economics should be imparted.

One or two independent commercial schools and also commercial classes in existing Middle and High Schools should be established in the district to give training in economics, commerce and business practices.

Every young person, as he leaves the school, should regard himself as so much mechanical power for the production of wealth and be able to take his place in a farm, factory, office or shop as soon as he completes his education. He should start life adequately equipped to brave the struggles for existence. Moral education is also necessary. School boys and girls should have an elementary knowledge of the forces which shape their lives and an adequate training in business habits, discipline and value of time in order to grow up to be efficient citizens.

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“Decades ago”, says a recent British Consular Report, “in most households in Japan a screw driver or a spanner were unfamiliar instruments: but to-day small boys make wireless sets and are interested in any kind of mechanism.”

Quite three-fourths of the juvenile population who pass through our educational institutions in the districts should have practical training of some sort, so that in after life every single individual among them may be a producer or worker who would be adding to the wealth of the district.

VII

POLICIES AND IMPLICATIONS

SOME practical measures which suggest themselves in this connection may be stated here to serve as a reminder to those actually engaged in rural uplift work.

Attention has been drawn to the fact that the present average *per capita* income in India is about one-tenth or less than one-tenth of what it is in Western Europe. Radical changes will be necessary in the economic structure and policies in the districts, if the present income is to be substantially raised.

Certain new policies and practices are recommended in the District Development Scheme proposed to change the economic structure in a district. This is in accordance with the principles followed in economic planning and involves public control of the economic structure. Such a control exists to-day on a wider scale in Great

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Britain. Under the proposed scheme, this control will be exercised by the District Development Department and the District Economic Council working jointly. The supreme control of the local Government over all district development work will remain unaffected.

Picked men, whether officials or non-officials, should be trained and employed on the Scheme. Only enthusiastic officials and popular leaders who can render disinterested public service should be chosen for the work.

Among the officials and volunteers employed in the district under the Development Department, a reasonable proportion of the employees should, if possible, be persons who have been educated or have widely travelled abroad.

New occupations should be started and old ones expanded as required, particularly such as would give an abundant supply of the basic wants of the population—in food, clothing and housing.

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Units of production and business undertakings should be multiplied by bringing capital, labour, organisation and managerial ability together, wherever there may be scope for income and profit.

The most promising source of income at the present time is industries. Both large-scale and minor industries are wanted but this scheme is confined to a district and is therefore concerned with minor industries only.

Under each of the six wants of the human family referred to in Section II, the commodities and services required to meet each want should be roughly estimated and lists or tables prepared, showing how much grain, cloth, housing materials, educational and other facilities are available and how much more are needed. The figures gathered together will only be approximate but from them rough schedules of development can be prepared to support a forecast of future wants.

POLICIES AND IMPLICATIONS

Statistics of production particularly under agriculture and industries should be collected first and maintained in every Village Union, in town unit areas as well as in the district as a whole. Preparation of occupational statistics should follow.

Statistics of changes in the occupational structure as far as can be ascertained should be published along with annual reports.

Tariffs should be watched and adjusted from time to time. Tariff protection is occasionally objected to as making articles of common use costly for the poor. It may have this effect temporarily but the sacrifice is necessary in the wider interests of the country to make it self-sufficient in regard to many of the products in ordinary use which the people can easily manufacture for themselves.

Rural indebtedness is another evil which should be attacked and remedied at the very outset, wherever possible. This has been attempted with success in a small

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State like Bhavnagar in recent years. The influence of money-lenders should be utilised in a healthy direction to build up a new credit system for the village.

There should be reform and reawakening in Universities to train young persons in the science of better living, so that a good proportion of them, after they pass through the University portals, may be able to enter a farm, factory or shop and carry on business with success after a brief apprenticeship, if necessary.

Some of the text-books used at present in Middle and High Schools which give instruction in morals or business life will require rewriting to suit the altered present-day business conditions.

To make the people industry-minded and to create an atmosphere of progress, propaganda should be resorted to by the writing and distribution of leaflets, the delivering of public lectures, etc., to spread among the people information bearing on

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- (i) Past experience and present state of industries in India;
- (ii) Recent experience in the same field in progressive countries;
- (iii) A knowledge of up-to-date machinery in common use; and
- (iv) Modern processes of production and the latest industrial and commercial practices.

The public should be kept informed up-to-date, by propaganda from time to time, of the true position of affairs in the following respects:—

- (1) Specific facilities and concessions given by Government to encourage industries;
- (2) The nature of and conditions under which expert advice provided by Government can be procured;
- (3) The distribution of population and income by occupations; and
- (4) Maintenance of accurate current records and statistics.

At present large numbers of people

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suffer from unemployment and short employment. No efforts should be spared to start new units of work for their benefit, wherever there may be scope for them.

In both rural and urban unit areas, much of the success of the proposed scheme will depend upon the growth of the working capacity of individual families and citizens. This should be stimulated by well devised propaganda, by giving prizes and by other methods of encouragement, with the aid of public-spirited leaders and local committees. Progress in this respect should be also watched by means of statistics maintained specially for the purpose.

The co-operative spirit among the people should be particularly stimulated, opportunities being provided for them to work together in association in production and profit-making occupations.

Also, the District Development Department, with the aid of the Economic

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Council, should be able to check malpractices in business concerns by exercising some sort of paternal control and by bringing to bear on them the moral influence of the community.

VIII

A CONCRETE PROGRAMME

THERE is at present no plan, nor are there any national policies, to guide us in the solution of new economic problems as they arise from time to time. Such planning on a national scale will require the active co-operation of the people and the ungrudging support of the Government. Till a national plan comes into existence, individual districts whose administration is within certain limits in the hands of the people themselves are in a favourable position to attempt planned development.

The Provincial Governments can now plan and make available an increasing amount of goods and services for the use of their people. The District Development Scheme herein proposed gives the outlines of a desirable plan. It aims at making an intensive effort to increase

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production by persuading the people to work harder, and under discipline, to work more intelligently and effectively. The various proposals which comprise the Plan will now be briefly recapitulated in a connected form.

Size and Resources of a District.—For purposes of illustration, the following hypothetical data may be assumed for a district in British India in which the Scheme may be brought into operation:—

Area of District	5,000 sq. miles
Population	1,000,000
Annual Revenue	Rs. 80 lakhs
Amount of Capital to be made available for ex- pansion of industries and for improving agriculture and dev- eloping occupations generally		Rs. 80 lakhs
Yearly Grant for maintaining the District Development Scheme	Rs. 5 lakhs

The cost of maintaining the Develop-
ment Department may be taken at Rs. 5

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lakhs for the first three years. If a larger sum can be spared so much the better. Of this sum, Rs. 3 lakhs may be utilised for the district organisation and staff and Rs. 2 lakhs for a Central Workshop and other training institutions.

The sum of Rs. 5 lakhs, should, in the first instance, be met by a Provincial grant. If everything goes well, the income of the people will increase and the Government revenues also, with it, from new industries and employments. The demand on Provincial revenues is likely to grow less and less from the third year onwards.

Main Lines of Development.—The chief object of planning, in the present case, is to ascertain the demand and supply of the normal wants of the people, to preach the gospel of work and the value of co-operative effort, to create new sources of production, to bring work within the reach of every able-bodied citizen, and by all these measures to double the income

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and standard of living of the people in the course of 7 to 10 years.

It is proposed at the beginning to limit the Scheme to the reconditioning of one district only in each Province or State in the manner described.

District Organisation.—This will consist of—

- (1) An Economic Council;
- (2) A District Development Department, and Budget;•and
- (3) A Five-Year Plan.

The Economic Council may consist of 7 to 12 members.

District Economic Conferences will be held at regular intervals in the year to which officials and experts and leading business men and active citizens from all parts of the district will be invited.

The District should be properly equipped with offices, institutions and policies and with staffs of officials and experts who

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would be able to guide the population to start new works and new occupations. Mere advice will not prove sufficient. The officials should guide in establishing and operating new units of work and continue to advise until occupations are more correctly redistributed.

The District population particularly needs instruction in Company formation and co-operative business practices. This is an equipment to which little or no attention has been paid hitherto. Certain Indian communities are adepts in this class of work. Their special knowledge and practices in this respect might be advantageously put into a modern form and widely disseminated.

The District Development Department and the Economic Council will jointly operate the Scheme. They will maintain statistics of production on modern lines, review the situation once a quarter and issue yearly reports of progress with appropriate statistical tables.

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Village and Town Organisations.—These consist of Village and Town Councils and their establishments.

The Village Councils and their headmen will administer a group of villages with a population varying from 5 to 10,000. They will be allowed to tax themselves for the purpose. Panchayats, wherever they exist, may help them with funds to make a beginning.

In the first three to five years, Government may subsidise the Village Councils but thereafter the Councils should be made to depend upon their own taxes.

The Urban Units will be provided with funds for their work by the Municipalities or other Local Self-Government bodies concerned, and as in the case of the Village Councils, they will be also aided by subventions from the Government during the first five years.

Eventually when the Village Units are found working satisfactorily, most of the

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functions of the district administration in the area may be safely transferred to Village Councils.

Survey and Statistics.—A survey will be carried out of production, income, number of workers employed, etc., in industries, agriculture and other occupations, in each unit area and the district as a whole.

Statistical tables will be compiled showing the distribution of population and income by occupations, to serve as a guide in planning for the future.

Aids to Development.—Simultaneously certain facilities are needed to create an industrial and developmental atmosphere. The more important of these are banking facilities, statistics, tariff protection, mass education and travel conveniences.

Capital is required for new industries and for expansion and improvement of agriculture and subsidiary rural occupations. In the initial stages, the amount

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required may be taken at about the same figure as the total yearly revenues of the district.

This sum may in most cases be raised, with the aid of a Government guarantee of interest for a term of years, from well-to-do classes of the population in the district itself.

A beginning may be made by raising a loan equivalent to about 25 per cent. of the revenues of the district for utilisation as capital on minor and cottage industries. The percentage may be gradually increased as demand arises for financing new ventures.

The loan should be advanced, as far as possible, not by a Government Department but by independent financial organisations, such as local trusts, branch banks or co-operative societies.

Citizenship Training.—For training the people for industries and business life, a central workshop, an experimental and demonstration station, a museum,

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trade schools, commercial classes, farms, etc., will be brought into existence as required.

The cost of these, unless Government themselves come forward to provide them, should be met by appeal to local industrialists and merchants, leaders and philanthropists backed by handsome subsidies and subventions by Government.

Propaganda; Reviews and Reports.—Suitable propaganda will be carried on by the District Economic as well as local Councils and by the Government Department to popularise the Scheme. Statistical tables and charts will be maintained to measure progress and these will be exhibited in Village *Chavdis* or halls.

Development Schedules and Budget.—Estimates of work to be done and their cost will be collected in the form of schedules for each unit area. Schedules of development for the first year and approximate schedules for five years will be prepared for each village and each

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urban development unit first, and from these for the whole district. All works and improvements to be carried out in the year in the Village Unit area and in the Urban Unit area including training for industries should be brought on a schedule in this way and the budget for their execution based thereon.

The Budget should be duly approved by the District Economic Council and the Development Department before the commencement of the new year. The funds required in each Union should be raised by a local tax or supplied by a local Panchayat, if there be one.

The District Budget will make provision for the expenses of the Economic Council and the Development Department with all its staff, contributions to institutions, associations, committees, etc., and contributions or subventions to the Village and Urban Councils.

Annual Reports.—An annual report embodying the results of the surveys and

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other progressive measures undertaken in the District during the year should be prepared and copies of the same recorded in the offices of the local Councils as well as in the District Development Office at the head-quarters of the district. Copies may also be furnished to other offices as required.

Code of Rules.—A code of rules for the administration of the District Development Scheme should be prepared and maintained. The compilation would be somewhat imperfect at first but as work progresses it is bound to be gradually improved, from year to year, with the experience gained in advancing the Scheme.

IX

AIMS REDEFINED

WE live in a stubborn material environment and generally we have to work hard to get what we want. Work is necessary for the production of consumers' goods and services required to supply the various wants of a human family. Where more work is put into gainful occupations, there will be more income, and the greater the income the higher the standard of living. Prosperous nations are not always those that live in tracts where nature is propitious but those who have learnt by past experience and suffering that conditions of living can be improved only by industry, organisation and technical skill. Increase of commodities will be secured through longer hours of labour, through teamwork, through discipline, through skill put into labour and by better organisation and planning. To

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show the way to these various expedients is the object of the District Development Scheme here described.

The proposed District Development Scheme, if brought into operation in the spirit indicated above, is expected to provide an effective starting point for the economic reconstruction of the countryside. As explained before, the specific aim of the Plan at the outset will be to stimulate the productive capacity of the district and double its income in seven to ten years time. Since there will be wanting men, money and directing ability to do this on any vast scale, it is proposed to confine the Scheme at the outset to one or two districts only in each Province and State.

Developments in other spheres—political, social or cultural—should be attempted by creating other independent agencies and not be mixed up with this Scheme. Although all such beneficial measures should be worked together and in close harmony, the immediate aim of the

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Scheme under consideration is economic betterment. Material wants in which we are very poorly equipped at present must rank first and as they are fundamental to the very existence of the population, they are important enough to be treated as a class by themselves.

Many wrong traditions have to be wiped out and numerous modern practices and policies assiduously cultivated in order to make the people trust one another and co-operate more freely for attaining national aims and ends. Numerous existing retardative practices have to undergo a revolutionary change.

It was owing to these traditions and practices that India, notwithstanding that her population is over thirty times as large, has had to yield pride of place in industry and trade in recent times to a well-knit small nation like Canada.

There is no responsible agency or organisation at present to correct defects in the economic life of the people and

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stimulate progress. So a District Development Department associated with a District Economic Council is proposed for the purpose.

The Scheme aims at securing bare subsistence wants mainly for the rural population. It is intended for the rehabilitation of a district—not a Province or the country as a whole.

There are too many people employed in some occupations and too few in others, and production is impeded. To remedy this, a balanced redistribution of occupations is urged.

. Industries were badly neglected in the past. To make up speedily for past losses, special measures are contemplated to expand them and increase the proportion of the working population on them to three or four times its present strength.

There is not enough money in circulation in rural parts, either for investment or for use as working capital for the volume of business that is needed to

AIMS REDEFINED

secure comfortable working conditions for the people. Steps should be taken to ensure the freer circulation of capital, even if it necessitates Government sharing unfavourable risks.

The average citizen should be educated and encouraged to work the proposed Plan. He should be induced by lure of income and profit to raise his economic status.

